

IN THE CHANCERY COURT OF DAVIDSON COUNTY, TENNESSEE
FOR THE TWENTIETH JUDICIAL DISTRICT AT NASHVILLE

STATE OF TENNESSEE,)	
)	
Petitioner,)	
)	
v.)	No. _____
)	
AIRPORT CHEVROLET, INC., a Tennessee)	
corporation, doing business as AIRPORT)	
CHEVROLET and AIRPORT HYUNDAI,)	
formerly known as BILL HEARD)	
CHEVROLET, INC. — MEMPHIS, a)	
Tennessee corporation, formerly doing)	
business as BILL HEARD CHEVROLET,)	
)	
Respondent.)	

PETITION

Paul G. Summers, Attorney General and Reporter for the State of Tennessee, (hereinafter “Attorney General”), files this Petition pursuant to Tenn. Code Ann. § 47-18-107 of the Tennessee Consumer Protection Act of 1977, Tenn. Code Ann. § 47-18-101 *et seq* (hereinafter “the Act”), and would respectfully show the Court as follows:

1. The Attorney General, acting pursuant to the Act, has investigated certain acts and practices of Airport Chevrolet, Inc., doing business as Airport Chevrolet and Airport Hyundai, formerly known as Bill Heard Chevrolet, Inc.-- Memphis, formerly doing business as Bill Heard Chevrolet (hereinafter, “Respondent” or “Bill Heard - Memphis”). Upon completion of such investigation, the Attorney General has determined that certain of Respondent’s acts and practices, more specifically described in Paragraph 2 of this Petition, constitute unfair and deceptive acts or practices affecting the conduct of trade or commerce in the State of Tennessee in violation of the Act. More specifically, Respondent’s conduct constitutes violations of Tenn. Code Ann. §§ 47-18-104(a), (b)(12), (b)(5) and (b)(27) and §§ 47-18-120 and -124.
2. Based upon the investigation of Respondent, the Attorney General alleges the following:

(A) Respondent is a Tennessee corporation. Respondent operates a licensed motor vehicle dealership in Memphis, Tennessee.

- (B) Prior to June 30, 2000, Respondent's sales contracts with some consumers listed an item as "sales tax" or "state and local tax". In some cases, the Respondent included the business tax in the sales or state and local tax column of a consumer's contract. See sample contract attached as Exhibit A.
- (C) The business tax is not a sales tax; instead it is a tax to be paid by the business. State law, however, permits the business to pass the tax along to its customers so long as it is listed separately. Respondents failed to separately list the business tax on consumer contracts.
- (D) During 1999, as a part of the operation of the dealership Respondent engaged in solicitations and promotions offering certain prizes and awards to encourage consumers to visit Respondent's dealership. Attached as Exhibit B are sample promotions. Some of Respondent's solicitations failed to provide to include disclosures required by the Tennessee prize, gift and award statute. In one case, Respondent used a form at the top which makes the solicitation appear to be certificate of title information from the State of Tennessee, when such is not the case.
- (E) Respondent's prize, gift and award promotions also failed to include some clear and conspicuous disclosures required by the Tennessee prize, gift and award statute such as but not limited to, the verifiable retail value immediately adjacent to the listing of the prize, and the odds of winning each prize in Arabic numerals, immediately adjacent to the listing of the prizes.
- (F) Respondent also used certain promotions offering "conditionally approved ... credit". Attached as Exhibit C is a sample promotion. However, everyone that received the promotion was not actually approved for credit and certain disclaimers contradicted the overall message that the person receiving the material had been approved for credit.
- (G) In some cases, the Respondent sold the consumer's trade in vehicle before the financing on the consumer's new vehicle selection was complete. In these cases, the consumer was unable to merely take their trade in back and walk away from the transaction.
- (H) Respondent's conduct described in Paragraph 2 (A-G) constitutes unfair and deceptive acts or practices.

3. Respondent neither admits nor denies the allegations of Paragraph 2 (A-H).

4. The Attorney General entered into negotiations with Respondent and the parties have agreed to, and the Division has approved, the attached Assurance of Voluntary Compliance.

5. In accordance with the provisions of Tenn. Code Ann. § 47-18-107(c), the execution, delivery and filing of the Assurance does not constitute an admission of prior violation of the Act.

6. The Division, the Attorney General, and the Respondent, the parties who are primarily interested in the matters set forth in Paragraph 2 hereof, have jointly agreed to the Assurance of Voluntary Compliance and join in its filing.

PREMISES CONSIDERED, Petitioner prays

1. That this Petition be filed without cost bond pursuant to the provisions of Tenn. Code Ann. §§ 20-13-101 and 47-18-116.

2. That the Assurance of Voluntary Compliance be approved and filed in accordance with the provisions of the Tennessee Consumer Protection Act.

Respectfully submitted,

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